PERMIT

AUTHORIZING

Rulened out 1952 BRITISH COLUMBIA ELECTRIC COMPANY, LIMITED TO CONSTRUCT, OPERATE AND MAINTAIN ELECTRIC TRANSMISSION FACILITIES AT THE INTERNATIONAL BORDER BETWEEN THE UNITED STATES AND CANADA

(FEDERAL POWER COMMISSION - DOCKET NO. E-6588)

British Columbia Electric Company, Limited (hereinafter referred to as Permittee), incorporated in the Province of British Columbia, Dominion of Canada, and having its principal place of business at Vancouver, British Columbia, in an application filed in Docket No. E-6588 on November 9, 1954, requested permission to construct, operate and maintain the electric transmission facilities described in Article 2 below, at the international border between the United States and Canada, for the transmission of electric energy between the United States and Canada.

By letter dated Feb. 21, 1955 the Secretary of State, and by letter dated 100 10 1965 the Secretary of Defense favorably recommended that the permit be granted as hereinafter provided.

Upon consideration of this matter the Commission finds that the issuance of a permit as hereinafter provided is appropriate and consistent with the public interest.

Pursuant to the provisions of Executive Order No. 10485, dated September 3, 1953, and the Commission's General Rules and Regulations,

permission is hereby granted to Permittee to construct, operate, and maintain the electric transmission facilities, described in Article 2 below, crossing the international border at two points under the waters of the Strait of Georgia adjacent to the Province of British Columbia, Canada.

Article 1. It is expressly agreed by the Permittee that the facilities herein described shall be subject to all conditions, provisions and requirements of this permit; Permittee agrees that this permit may be modified or revoked by the President of the United States or the Federal Power Commission, and may be amended by the Federal Power Commission upon proper application therefor.

Article 2. The facilities covered by and subject to this permit shall include the following:

Four single-conductor, 132-kv submarine cables, spaced some 500 yards apart, three of which will constitute a three-phase circuit having a capacity of 120,000 kw, extending in a south-westerly direction some 14.2 miles in all from the mainland of British Columbia under the waters of the Strait of Georgia to Galiano Island, British Columbia. The proposed cables in their passage across the Strait will cross the international boundary, will pass through United States territorial waters a distance of 7.0 miles and will again cross the international boundary into Canadian waters. The terminal point of the cables on the British Columbia mainland will be located by a concrete monument at Tsawassen Beach, situated about 1993 feet north of

the international boundary, between the State of Washington and British Columbia, at a point in the southwest corner of Lot 2, Timber Lot 9, Secs. 3 and 4, Township 5 New Westminster District. The terminus of the four submarine cables on Galiano Island will also be marked by a concrete monument located at the southern tip of Taylors Bay, which is approximately 3/4 mile west of Salamanca Point. The monument is set in Lot 15, being on a bearing of S 38° 00° W and 186.4 feet from the N.E. corner of Lot 15, said N.E. corner being also 1365.0 feet north from the S.E. corner of Lot 15 measured along the boundary between Lots 14 and 15, Cowichan District.

The above facilities are more specifically shown and described in the application. No substantial change shall hereafter be made in the facilities and operations authorized by this permit until such changes shall have been approved by the Commission.

Article 3. The construction, operation, and maintenance of the aforesaid facilities shall be subject to the inspection and approval of the District Engineer, Corps of Engineers, United States Army, in charge of the district affected herein, and a representative of the Commission, both of whom shall be authorized representatives of the United States for such purposes.

Article 4. In the construction, operation, and maintenance of the facilities herein specified, the Permittee shall place and maintain suitable equipment to reduce to a reasonable degree the liability of contact or inductive interference between its transmission line and any other

facilities not owned by the Permittee.

Article 5. If, in the future, it should appear to the Secretary of the Army that any facilities or operations permitted hereunder cause unreasonable obstruction to the free navigation of any of the navigable waters of the United States, the Permittee may be required, upon notice from the Secretary of the Army, to remove or alter the same so as to render navigation through such waters free and unobstructed.

Article 6. The Permittee shall be liable for all damages occasioned to the property of others by the construction, operation, and maintenance of the aforesaid facilities, and in no event shall the United States be liable therefor.

Article 7. Permittee agrees to file with the Commission, under oath and in such detail as the Commission may require, such statements or reports, with respect to the energy transmitted or the facilities authorized herein, as the Commission may, from time to time, request. Such information may be made available to any Federal, State, or local agency requesting such information.

Article 8. Neither this permit nor the facilities, or any part thereof, covered by this permit, shall be transferable or assignable, but the permit shall continue in effect temporarily for a reasonable time thereafter, in the event of the involuntary transfer of the facilities by operation of law (including such transfers to receivers, trustees, or purchasers under foreclosure or judicial sales) pending the making of an application for a new permit and decision thereon, provided notice is promptly given in writing to the Commission accompanied by a statement that the

facilities authorized by this permit remain substantially the same as before the transfer. The Permittee shall maintain the facilities, or any part thereof, in a condition of repair for the efficient operation of said facilities in the transmission of electric energy, and shall make all necessary renewals and replacements.

Article 9. Upon the termination, revocation or surrender of this permit, the facilities shall be removed within such time as the Commission may specify and at the expense of the Permittee. Upon failure of the Permittee to remove such facilities or any portion thereof, the Commission may direct that possession of the same may be taken and the facilities removed at the expense of the Permittee, and the Permittee shall have no claim for damages by reason of such possession or removal.

Article 10. The Permittee agrees that when, in the opinion of the President of the United States, evidenced by a written order addressed to it as holder of this permit, the safety of the United States demands it, the United States shall have the right to enter upon and take possession of the facilities, or any part thereof, maintained or operated under this permit, and shall retain possession, management and control thereof for such length of time as may appear to the President to be necessary to accomplish said purpose, and then restore possession and control to the Permittee; and in the event that the United States shall exercise such right, it shall pay to the Permittee just and fair compensation for the use of said facilities as may be fixed by the Commission upon the basis of a reasonable profit in time of peace, and the cost of restoring said facilities

to as good condition as existed at the taking over thereof, less the reasonable value of any improvements that be made thereto by the United States and which are valuable to the Permittee:

IN WITNESS WHEREOF, I, Jerome N. Kuykendall, have hereunto signed my name this 10 day of march, 1955, in the City of Washington, District of Columbia.

Jerome K. Kuykendall

Chairman of the Federal Power Commission

| IN TESTIMONY OF ACCEPTANCE of all the provisions, conditions, and |
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| requirements of this permit, the Permittee this 31 day of Murch, |
| 1955, has caused its name to be signed by |
| its President, and its corporate seal to be affixed hereto and |
| attested by, its Secretary, |
| pursuant to a resolution of its Board of Directors duly adopted on the 3d day of march, 1955, a certified copy of the record of |
| which is attached hereto. |
| Permittee |
| Ву |
| |
| SEAL |
| (Attest) |
| |
| Secretary |
| |

Executed in triplicate